







Dear Valued Stakeholder,

Did you know that the National Forests in Northern Arizona provide most of the water to the Salt and Verde Rivers, which are vital surface water supplies to downstream users in the greater Phoenix metropolitan areas?

The **Northern Arizona Forest Fund (NAFF)** provides an easy way for businesses and residents of Arizona to invest in the lands and watersheds they depend on.

The NAFF supports high priority restoration projects on National Forests in the Salt and Verde River watersheds, including:

- Forest Thinning and Prescribed Burning
- Stream and Wetland Restoration
- Sediment and Erosion Management
- Habitat Improvement and Re-vegetation Projects

2014-15 Projects: In 2014-15, the NAFF offers Arizona businesses the opportunity to invest in two important projects on the Coconino National Forest in the Verde River watershed

- The Upper Beaver Creek Forest Health Project
- Oak Creek Erosion Control Project

Together, these two projects will improve the health of the larger Verde River watershed by reducing the risk of catastrophic wildfire, decreasing erosion and sedimentation into streams, rivers and important reservoirs, improving wildlife habitat, and enhancing recreation opportunities.

A Valuable Investment: Supporting these watershed restoration activities not only shows a corporate commitment to environmental stewardship, but is also a valuable business investment.

Proactive management of our watersheds lowers water treatment and delivery costs, minimizes the risk of costly infrastructure damage caused by fire and flooding, sustains forest-based recreation and tourism markets, increases property value premiums, and supports restoration-based employment opportunities.

To learn more, please contact either Marcus Selig at (720) 437-0290 mselig@nationalforests.org or Rebecca Davidson at (602) 236-6617 Rebecca.Davidson@srpnet.com

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A Critically Important Resource

Most of Arizona's surface water resources are sustained by high-elevation forested watersheds that capture rain and snow and then carry surface water downstream. The National Forests in Northern Arizona provide most of the water to the Salt and Verde Rivers, which are vital surface water supplies to downstream users in the greater Phoenix metropolitan areas.

Although the water provided by Arizona's high-elevation forest watersheds is critically important to life and the Arizona economy, past forest management practices have created unhealthy forest conditions. Decades of fire suppression have created highly dense, overstocked National Forests. These conditions, in combination with ongoing climate shifts, challenge the health of the forests and the sustainability of Arizona's water supplies and water quality.

The Cost of Unhealthy Forests

The threats to Arizona's watersheds highlight the vulnerability of Arizona's water-dependent industries and municipalities. The economic impacts of catastrophic wildfire are staggering, with figures often totaling hundreds of millions of dollars for a single wildfire. A full cost accounting of the Rodeo-Chediski Fire, one of Arizona's largest wildfires on record, estimates the direct and indirect costs of wildfire suppression and recovery to be more than \$308 million. The Schultz Fire in Flagstaff's watershed, while significantly smaller than the Rodeo-Chediski Fire, burdened local residents and businesses with \$147 million in post-fire flood damage.

Phoenix metropolitan area residents and businesses depend on healthy watersheds for the delivery of reliable, clean water to their rivers, reservoirs, and canals. Past fires in Colorado demonstrate the detrimental effects that large-scale fire can have on water delivery infrastructure. Denver Water has spent over \$45 million reducing post-fire erosion into streams and dredging sediment from reservoirs.

An Ecological and Economic Solution

For the National Forests in Northern Arizona, wildfire is not a matter of if, but when. Proactive watershed restoration reduces the risk of catastrophic wildfires that cause widespread tree mortality and result in negative impacts to water supplies, such as those seen in Denver and Flagstaff. Investing now in "green infrastructure" through watershed restoration efforts will reduce future water treatment costs, minimize the risk of costly infrastructure damage, sustain forest-based recreation and tourism markets, increase property values, and support restoration-based employment opportunities.









Investment in watershed restoration through the Northern Arizona Forest Fund protects vital water supplies and shows your commitment to environmental stewardship in the landscape that serves your business and community.

By investing in the Northern Arizona Forest Fund, your business can be part of the solution.



Be Part of the Solution

Developed by the Salt River Project and the National Forest Foundation, the Northern Arizona Forest Fund (NAFF) provides an easy way for businesses and residents of Arizona to invest in the lands and watersheds they depend on. With declining forest health and tighter federal budgets, local partnerships and active stewardship are more critical than ever. The NAFF's projects will reduce wildfire risk, improve streams and wetlands, enhance wildlife habitat, restore native plants, and limit erosion and sediment into Arizona streams, rivers, and reservoirs. The NAFF's projects will also create jobs and provide volunteer opportunities in local communities through partnerships with local conservation and stewardship groups.

How it Works

On a regular basis, funds will be deployed to complete high priority restoration projects on National Forests in the Salt and Verde River watersheds. Types of projects will include:

- Forest Thinning and Prescribed Burning Restore natural fire to the forest ecosystem, mechanically thin small-diameter trees to reduce fuel loading, minimize bark beetle impact, and improve understory and soil conditions
- Stream and Wetland Restoration Restore and stabilize stream banks, reconstruct and enhance wetlands, and install fencing to protect sensitive habitats
- Sediment and Erosion Management Improve runoff and drainage conditions, and reduce sediment loading into springs, streams and wet meadows
- Habitat Improvement and Re-vegetation Projects Improve and restore aspen forests, grasslands, wet meadows and other important forest and woodland habitats

Contributions to the NAFF will be collected by the National Forest Foundation and awarded to local non-profit stewardship organizations, local contractors, and the U.S. Forest Service to implement high priority projects on the Apache-Sitgreaves, Coconino, Kaibab, Prescott, and Tonto National Forests.

Tangible Results

To provide participating contributors with clear expectations on how funds will be spent and the benefits provided, the National Forest Foundation and the Salt River Project will work with the U.S. Forest Service to identify an annual list of priority projects that will improve the health and resiliency of National Forest lands in the Salt and Verde River watersheds. Each year, contributors will receive official reports detailing stewardship accomplishments associated with these priority projects.

Benefits of Participation

In addition to helping ensure the health and sustainability of Northern Arizona's forests, participating businesses can enjoy significant marketing benefits. Participating businesses will receive marketing opportunities to show how their contributions have been used to protect Northern Arizona's National Forests and watersheds. Participating businesses can be recognized in the NFF's magazine (distributed nationwide to 50,000 people), annual report, and Website. We will also work with your business to help develop marketing materials that communicate partnership information to your customers and the community. Lastly, through the National Forest Foundation's Friends of the Forest Days volunteer events, participating businesses can involve their employees in hands-on stewardship.

For more information contact:

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NORTHERN NAFF 2014-15 PROJECTS ARIZONA FOREST **FUND** Oak Creek Erosion Verde River **Control Project** Watershed Sedona Upper Beaver Creek Forest Health Project Show Low Payson Salt River Watershed Phoenix FOREST THINNING & PRESCRIBED BURNING SEDIMENT & EROSIO VAGEN Delivering water and power.™

A Valuable Investment

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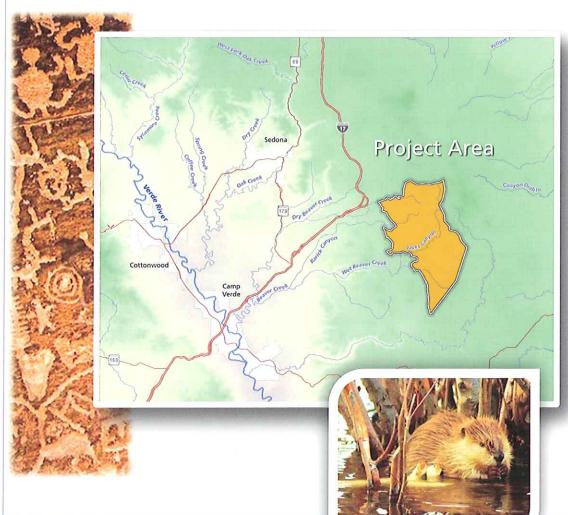


Upper Beaver Creek Forest Health Project (2014-15)

Opportunities For Investment

The inaugural year of the **Northern Arizona Forest Fund** offers Arizona businesses the opportunity to invest in two important projects on the Coconino National Forest in the Verde River watershed — the **Upper Beaver Creek Forest Health Project** and the Oak Creek Erosion Control Project. Together, these two projects will improve the health of the larger Verde River watershed by reducing the risk of catastrophic wildfire, decreasing erosion and sedimentation into streams, rivers and important reservoirs, improving wildlife habitat, and enhancing recreation opportunities.

The Upper Beaver Creek Forest Health Project Objective The Upper Beaver Creek Forest Health Project is located about 30 miles south of Flagstaff, encompassing over 48,000 acres of National Forest lands on the Coconino National Forest. The long-term goals of this project include forest thinning activities on approximately 16,000 acres and prescribed burning over about 44,000 acres. During the first year of this long-term project, we hope to accomplish a variety of vegetation management activities, including priority forest thinning treatments on approximately 150 acres and the use of prescribed fire on approximately 1,000 acres.











Upper Beaver Creek Forest Health Project (2014-15)

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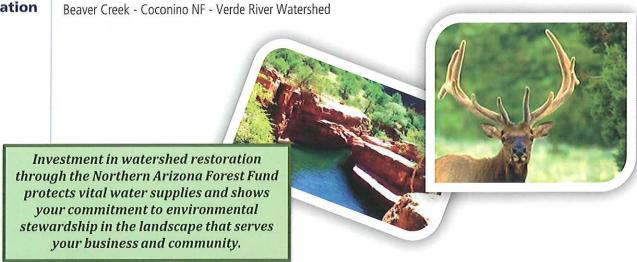
First year forest thinning activities will be accomplished using chainsaws and hand crews. Working in dense, fire prone ponderosa pine forests, these crews will remove small-diameter trees, up to nine inches in diameter. The removal of these small trees will allow natural and prescribed fire to move safely through the forest, without climbing into the tree tops, creating unnaturally severe fire. These activities will protect valuable wildlife habitat, for species such as Mexican spotted owls, goshawks, tassel-eared squirrels, song birds, deer, elk and other species from being lost. The thinning treatments in these priority areas will also reduce the likelihood of larger wildfires from burning across the watershed, endangering property, lives, and causing sedimentation into downstream creeks, rivers, and reservoirs.

Approximately 1000 acres of prescribed burning will also be used to treat the Upper Beaver Creek Forest **Health Project** area during the project's first year. Historically, the ponderosa pine forests in this area of northern Arizona burned with low-intensity fires every three to fifteen years. Using prescribed fire in the project area, we hope to mimic the historic natural fires that reduced hazardous fuel accumulations and encouraged the growth of diverse grasses, shrubs, and wildflowers that provide valuable wildlife habitat.

Cost

The costs to implement the first year of the Upper Beaver Creek Forest Health Project total \$300,000. With your investment, we can begin implementing these important treatments and protect an important watershed that provides Arizonans with recreation opportunities, critical wildlife habitat, and vital water supplies.

Location





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Oak Creek Erosion Control Project (2014-15)

Opportunities For Investment

The inaugural year of the **Northern Arizona Forest Fund** offers Arizona businesses the opportunity to invest in two important projects on the Coconino National Forest in the Verde River watershed — the Upper Beaver Creek Forest Health Project and the **Oak Creek Erosion Control Project**. Together, these two projects will improve the health of the larger Verde River watershed by reducing the risk of catastrophic wildfire, decreasing erosion and sedimentation into streams, rivers and important reservoirs, improving wildlife habitat, and enhancing recreation opportunities.

The Oak Creek Erosion Control Project Objective

Oak Creek is an Outstanding Arizona Water that is valued for its beauty, recreational opportunities, and tremendous ecological value. With its headwaters forming on the Coconino National Forest just south of Flagstaff, this important creek flows through Sedona and Arizona's Red Rocks country before flowing into the Verde River. Unfortunately, Oak Creek faces a number of water quality challenges, including sedimentation and turbidity caused by erosion from forest roads.

To help protect and improve Oak Creek's water quality and the quality of downstream rivers and reservoirs, local stakeholders and the Coconino National Forest have developed the **Oak Creek Erosion Control Project**. The long-term goals of this project include drainage improvements and the rehabilitation of damaged ecosystems along nearly 20 miles of forest roads within the Oak Creek watershed.











Oak Creek Erosion Control Project (2014-15)

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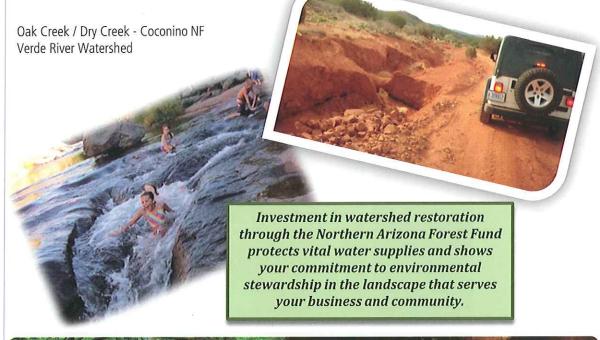
Sediment is the leading cause of water quality impairments in Arizona rivers. Roads are recognized as a prominent source of sediment in these stream channels, and improper drainage on roads exacerbates sediment deliver into connecting drainages and streams. To reduce erosion of sediment from area roads into Oak Creek, this project will improve and install numerous road drainage structures along 20 miles of roads in the Oak Creek watershed.

Poor drainage along area roads has already created conditions, such as gullying, that increase sediment delivery to streams. These conditions have caused significant damages to surrounding ecosystems, as travelers maneuver off of established roads to avoid pooled water, ruts, and other unpassable obstacles. This project will rehabilitate such pullout areas, repair gullies and ruts, and, where necessary, relocate damaged sections of road. Structures will also be installed to prevent further undesirable widening and expansion of the road network.

Cost

The costs to implement the first year of the **Oak Creek Erosion Control Project** total \$200,000. With your investment, we can improve drainage and repair resource damages along the heavily traveled roads of the Coconino National Forest's Red Rocks District, while protecting the recreation opportunities, wildlife habitat, and water provided by Arizona's iconic Oak Creek.

Location





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